

AR18

NORTHERN CANADA MINES,
LIMITED

Annual Report

FOR THE YEAR ENDED SEPTEMBER 30, 1973

NORTHERN CANADA MINES, LIMITED

(Incorporated under the laws of Ontario on January 24, 1938)

Information Circular

1. **Annual Meeting and Revocability of Proxy:** This information circular is furnished in connection with the solicitation of proxies by or on behalf of the management of the Company for use at the annual meeting of the shareholders of the Company to be held at Toronto, Ontario on March 29, 1974 for the purposes set forth in the notice of meeting.

A shareholder executing a proxy has the right to revoke it at any time before it is exercised.

2. **Persons or Companies Making the Solicitation:** This solicitation is made by the management of the Company at the Company's expense. Proxies given to the management will be voted at the meeting in accordance with the specifications given by the shareholder in the proxy with respect to the matters to be acted upon. However, the proxy is conferring discretionary authority with respect to amendments or variations to matters identified in the notice of the meeting or other matters which may properly come before the meeting.
3. **Interest of Certain Persons and Companies in Matters to be Acted Upon:** There are no matters proposed to be acted upon other than to receive the financial statements of the Company for the year ended September 30, 1973 together with the report of the auditors thereon, to receive the report of the Directors, to elect directors and to appoint auditors and authorize the Directors to fix their remuneration.

4. **Voting Shares and Principal Holders Thereof:** At February 26, 1974, there were 1,560,000 common shares outstanding, each entitled to one vote. Pursuant to a resolution passed by the Directors of the Company, March 22, 1974 has been fixed as the record date for the determination of the shareholders entitled to notice of and to vote at the meeting and only shareholders of record at the close of business on March 22, 1974 are entitled to notice of and to vote at the meeting. By authority of a resolution of the Directors of the Company, instruments appointing proxies to be used at such meeting must be deposited with the Secretary of the Company or its transfer agent, The Guaranty Trust Company of Canada, 88 University Avenue, Toronto, Ontario, M5J 1T8, at least 48 hours preceding the time of the said meeting.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY AND MAY DO SO BY FILLING IN THE NAME OF THE APPOINTEE IN THE SPACE PROVIDED ON THE PROXY AND CAUSING IT TO BE FILED WITH THE COMPANY OR ITS TRANSFER AGENT AT LEAST FORTY-EIGHT HOURS BEFORE THE MEETING.

On the basis of information available to the Company, the following are the names of shareholders who each owned more than 10% of the voting rights attached to all of the equity shares of the Company:

Name	Number of shares	Class of shares	Percentage of outstanding equity shares represented
Atlantic Coast Copper Corporation Limited	253,271	Common	16.2%
K. C. Irving Limited	530,000	Common	34.0%

5. **Election of Directors:** There are presently five (5) Directors of the Company. The shareholders at the annual meeting will be asked to elect five (5) directors.

The following are the names of the five persons for whom it is intended that votes will be cast for their election as directors pursuant to the proxy which is hereby solicited: D. H. Allan, A. G. Kirkland, D. A. Macfarlane, Dr. A. L. McAllister, L. McC. Ritchie.

The term of office for each director is from the date of the meeting at which he is elected until the annual meeting next following or until his successor is elected or appointed. In the event that prior to the annual meeting, any vacancies occur in the slate of nominees submitted herewith, it is intended that discretionary authority shall be granted to vote the proxy for the election of any other person or persons as directors. The management is not presently aware that any of such nominees would be unwilling to serve as a director, if elected. L. McC. Ritchie is the President of the Company, A. G. Kirkland is the Vice-President and D. A. Macfarlane is the Secretary and Treasurer of the Company at present.

INFORMATION CONCERNING NOMINEES AS DIRECTORS

Name	Office held with Company	Principal Occupation for last 5 years	Date became a Director	Number of shares beneficially owned
D. H. Allan	—	President, Commercial Equipment Ltd.	1974	—
A. G. Kirkland	Vice-President	Executive in the employ of J. D. Irving Limited; formerly Mine Manager, Brunswick Mining and Smelting Corporation Limited	1972	—
D. A. Macfarlane	Secretary and Treasurer	Executive in the employ of J. D. Irving Limited	1971	—
Dr. A. L. McAllister	—	Professor of Geology, University of New Brunswick, Fredericton	1974	—
L. McC. Ritchie	President	Lawyer	1971	1

AR18

NORTHERN CANADA MINES, LIMITED

Golden Ball Building,
SAINT JOHN, NEW BRUNSWICK

STATEMENT OF REVENUE AND EXPENSES

For the Six Months Ended March 31, 1972

AR18

**NORTHERN CANADA
MINES, LIMITED**

**INTERIM REPORT
TO SHAREHOLDERS**

Six months ended March 31, 1973

NORTHERN CANADA MINES, LIMITED

(Incorporated under the laws of Ontario on January 24, 1938)

Information Circular

NORTHERN CANADA MINES, LIMITED

P. O. Box 937, Saint John, N. B.

INTERIM REPORT TO SHAREHOLDERS

Six Months Ended March 31, 1973

STATEMENT OF EARNINGS (subject to audit)

REVENUE:	1973	1972
Royalties	\$ 10,774	\$ 22,083
Less amount transferred to deferred expenditure	2,568	5,438
	<u>8,206</u>	<u>16,645</u>
Interest earned	1,594	—
	<u>9,800</u>	<u>16,645</u>
EXPENSES:		
Office and general	3,898	3,289
Legal and audit	575	650
Directors' fees	300	800
Write-off of development expenses	—	8,046
	<u>4,773</u>	<u>12,785</u>
Net earnings for the period	\$ 5,027	\$ 3,860

STATEMENT OF SOURCE AND USE OF FUNDS (subject to audit)

SOURCE:

From operations	\$ 7,595	\$ 18,202
Increase in working capital	7,595	18,202
Working capital — beginning of period	52,033	16,574
Working capital — end of period	<u>\$ 59,628</u>	<u>\$ 34,776</u>

Income for the current period was reduced from that of the prior year, reflecting the company's negotiations of royalties with the Hanna Mining Company regarding the iron ore property in Western Ontario.

No changes have been made since year-end in the company's investments or mining properties.

Saint John, N.B.
April 18, 1973

L. McC. Ritchie, President

NORTHERN CANADA MINES, LIMITED

Golden Ball Building,
SAINT JOHN, NEW BRUNSWICK

STATEMENT OF REVENUE AND EXPENSES

For the Six Months Ended March 31, 1972

REVENUE:	1972	1971
Royalties received	\$ 22,083	\$ 21,750
Less: Amount transferred to deferred expenditure	5,438	5,438
	<u>16,645</u>	<u>16,312</u>
 EXPENSES:		
Office and general	3,289	3,780
Legal and audit	650	900
Directors' fees	800	800
Interest on loans	—	670
Write off of development expenses	8,046	—
	<u>12,785</u>	<u>6,150</u>
 EXCESS OF REVENUE OVER EXPENSES	<u>\$ 3,860</u>	<u>\$ 10,162</u>

STATEMENT OF SOURCE AND USE OF FUNDS

SOURCE:		
From operations	\$ 18,202	\$ 15,485
Exploration expenditures refunded	—	14,808
	<u>18,202</u>	<u>30,293</u>
INCREASE IN WORKING CAPITAL	18,202	30,293
WORKING CAPITAL (deficiency) at beginning of period	16,574	(29,625)
	<u>34,776</u>	<u>668</u>
WORKING CAPITAL AT END OF PERIOD	<u>\$ 34,776</u>	<u>\$ 668</u>

January 30, 1972 was the renewal date of the Company's mining claims in Honeywell Township, Red Lake Mining Division, Ontario. These were not renewed and the prior development expenses totalling \$8,046 have been written off as a charge in the 1972 period of operations.

Saint John, N.B.
May 17, 1972

L. McC. Ritchie,
President.

6. **Remuneration of Management:** Direct remuneration paid to Directors and Senior Officers during the last complete financial year amounted to \$400.
7. **Interest of Management and Others in Material Transactions:** None.
8. **Appointment of Auditors:** It is intended to vote the proxy to reappoint Messrs. Coopers & Lybrand, who were first appointed in 1971.
9. **Management Contracts:** None.
10. **Particulars of Matters to be Acted Upon:** Other than the matters referred to in the notice of meeting, the management of the Company knows of no matters to come before the meeting.

DIRECTORS' REPORT TO THE SHAREHOLDERS

We are pleased to report on the affairs of your Company for the year ended September 30, 1973 and enclose herewith the financial statements of the Company for this period together with the auditors' report thereon.

Your Company has retained its holdings of 610,560 shares of Consolidated Rambler Mines Limited which represents 20.5% of the outstanding shares of that company. The year 1973 has been one of relatively high copper prices which has been reflected in the earnings of Consolidated Rambler. For the nine months ended September 30, 1973, Consolidated Rambler reported net earnings before provision for federal income taxes of 61.1c per share compared with 29.1c per share in the preceding year. The company's president states that sufficient ore has been outlined by drilling to indicate at least six years life at the present rate of production. Preparations for sinking the Boundary Shaft are proceeding and certain basic installations, including the hoist, have been installed.

There have been no other changes in the Company's investments or property holdings. All properties held at the previous year's end have been maintained in good standing.

As can be seen from the attached statement of source and use of funds, there has been a modest improvement in the Company's working capital during the year.

Subsequent to the Company's year end, on January 3, 1974, Mr. Philip J. Dunlay, a Director of the Company during 1973, succumbed to a serious illness. It is with much regret we advise the shareholders of Mr. Dunlay's death. Mr. James K. Irving submitted his resignation as a Director of the Company on January 9, 1974. His resignation is greatly regretted by the remaining members of the Board. To fill these vacancies, Mr. D. H. Allan of Saint John, N. B. and Dr. A. L. McAllister of Fredericton, N. B. have been elected to the Board of Directors and are standing for re-election for the current year.

On behalf of the Board,

Saint John, N. B.

February 26, 1974

L. McC. RITCHIE,
President

NORTHERN CANADA MINES, LIMITED

BALANCE SHEET AS AT SEPTEMBER 30, 1973

A S S E T S		1973	1972
		\$	\$
Current Assets			
Cash		8,243	14,277
Accounts receivable		1,456	839
Short-term deposit		55,000	40,000
		<u>64,699</u>	<u>55,116</u>
Investments — at cost (note 1) (quoted value 1973 — \$1,870,500; 1972 — \$1,109,800)		602,942	602,942
Mining Property (note 2)		50,796	50,796
Office Furniture and Equipment — at nominal value		1	1
Deferred Exploration Expenses (note 2)		163,824	167,524
		<u>882,262</u>	<u>876,379</u>
LIABILITIES			
Current Liabilities			
Accounts payable		1,100	3,083
		<u>1,100</u>	<u>3,083</u>
SHAREHOLDERS' EQUITY			
Capital Stock			
Authorized —			
3,000,000 shares of no par value			
Issued and fully paid —			
1,560,000 shares		1,340,000	1,340,000
Deficit		458,838	466,704
		<u>881,162</u>	<u>873,296</u>
		<u>882,262</u>	<u>876,379</u>

SIGNED ON BEHALF OF THE BOARD

L. McC. RITCHIE, Director

D. A. MACFARLANE, Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Northern Canada Mines, Limited as at September 30, 1973 and the statements of earnings and deficit, deferred exploration expenses and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at September 30, 1973 and the results of its operations and the source and use of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

December 7, 1973

COOPERS & LYBRAND

Chartered Accountants

NORTHERN CANADA MINES, LIMITED

STATEMENT OF EARNINGS AND DEFICIT

For the Year Ended September 30, 1973

	1973 \$	1972 \$
Income		
Royalties received (net)	14,800	43,500
Less: Amount transferred to deferred expenses	3,700	10,875
	11,100	32,625
Interest earned	3,294	1,489
Gain on sale of investments	—	565
	14,394	34,679
Expenses		
Legal and audit	409	1,052
Directors' fees	300	1,100
Office and general	5,611	7,585
Property taxes	208	314
	6,528	10,051
Earnings Before Write-Offs	7,866	24,628
Exploration Expenses Written Off	—	29,685
Net Earnings or (Loss) for the Year	7,866	(5,057)
Deficit — Beginning of Year	466,704	461,647
Deficit — End of Year	458,838	466,704

NOTE — The company is not presently conducting mining operations and earnings per share is not considered meaningful.

NORTHERN CANADA MINES, LIMITED

STATEMENT OF SOURCE AND USE OF FUNDS

For the Year Ended September 30, 1973

	1973 \$	1972 \$
Source of Funds		
From earnings —		
Net earnings (loss) for the year	7,866	(5,057)
Portion of royalties received credited to deferred expenditure	3,700	10,875
Exploration expenses written off	—	29,685
	11,566	35,503
Sale of equipment	—	50
	11,566	35,553
Use of Funds		
Exploration expenditure	—	94
	11,566	35,459
Increase in Working Capital	52,033	16,574
Working Capital — Beginning of Year	63,599	52,033
Working Capital — End of Year	63,599	52,033

STATEMENT OF DEFERRED EXPLORATION EXPENSES

For the Year Ended September 30, 1973

Balance — Beginning of Year	167,524	207,990
Expenses during the year	—	94
	167,524	208,084
Less: Portion of royalties received	3,700	10,875
Deferred expenses written off	—	29,685
	3,700	40,560
Balance — End of Year	163,824	167,524

NORTHERN CANADA MINES, LIMITED

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 1973

1. Investments	Number of shares	Cost \$	Market value \$
The company's investments consist of:			
Consolidated Rambler Mines Limited	610,560	566,863	1,862,200
First Orenada Mines Limited	83,250	36,062	8,300
Miscellaneous companies — at nominal value		17	—
		<u>602,942</u>	<u>1,870,500</u>

2. Mining Properties

- (a) The amount of \$50,796 shown on the balance sheet represents the cost of 160 acres located in Carnegie Township, Timmins Area. The company has also acquired from time to time other properties through staking and other methods. The cost of acquisition of these properties has been included in deferred exploration expenditure. At September 30, 1973, the company held the following additional properties:

Savant Lake —

31 mineral claims leased from the Province of Ontario in the Savant Lake Area of Western Ontario, subject to prospector's interest of 13%.

The company has leased the aforementioned mining claims to the Hanna Mining Company under a royalty agreement. Up to September 30, 1973 the company has received (net of the interest as set forth above) \$202,639 on account of royalties, \$14,800 being received in the current year. The company has adopted a policy of crediting 25% of net royalties received to deferred exploration expenditures until all of the costs incurred on the Savant Lake claims have been recovered.

Jutten Township —

4 patented mineral claims in Jutten Township, Port Arthur Mining Division of the Province of Ontario.

The Labbe Group —

A 25% interest in three development licences located in the Township of Adstock and Thedford, Province of Quebec.

- (b) Should the company commence milling operations on the Carnegie Township property, an additional amount of \$150,000 plus 10% of net profits is payable to the vendor if stated minimum quantities are mined.
- (c) The amounts shown for mining properties and deferred exploration expenses represent costs to date less amounts written off and do not necessarily reflect present or future values.

3. Senior Officers' Remuneration

During the year ended September 30, 1973 the direct aggregate remuneration paid by the company to the directors and senior officers of the company was \$400.

